

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
International Comparison and Consumer Survey)	
Requirements in the Broadband Data Improvement Act)	GN Docket No. 09-47
)	
A National Broadband Plan for Our Future)	GN Docket No. 09-51
)	
Deployment of Advanced Telecommunications Capability)	
to All Americans in a Reasonable and Timely Fashion, and)	
Possible Steps to Accelerate Such Deployment Pursuant to)	
Section 706 of the Telecommunications Act of 1996, as)	
Amended by the Broadband Data Improvement Act)	GN Docket No. 09-137

**COMMENTS – NBP Public Notice #19
PIONEER COMMUNICATIONS, INC.**

Pioneer Communications, Inc. (Pioneer)¹ respectfully submits these comments in response to the Federal Communications Commission's (FCC or Commission) Public Notice seeking comment concerning the role of the universal service fund (USF), intercarrier compensation, and other various policy options that would further the goal of making broadband universally available to all people of the United States.²

As the communications landscape continues to fundamentally change to a predominately broadband world, it is quite clear that patching the current universal service system is no longer a viable option and comprehensive reform is needed. Pioneer endorses reform that will continue to provide universal service support that enables consumers in rural, insular, or high-cost areas to have services and rates reasonably comparable to those provided in urban areas, and also

¹ Pioneer Communications, Inc. is a wireline telecommunications provider serving ten counties in western Kansas. Headquartered in Ulysses, Kansas, Pioneer has connected rural communities for more than five decades, and today delivers a full suite of services including telephone, cable television and high-speed Internet.

² Public Notice, *Comment Sought on the Role of the Universal Service Fund and Intercarrier Compensation in the National Broadband Plan*, NBP Public Notice #19, GN Docket Nos. 09-47, 09-51, 09-137, DA 09-2419, (rel. Nov. 13, 2009) (*Public Notice*).

believes expanding universal service to include high-speed broadband service is the only way to ensure internet access throughout the entire U.S.

THE CREATION OF A SEPARATE BROADBAND FUND IS NEEDED

The FCC National Broadband Plan task force recently identified the Federal USF structure as one of the critical gaps in the nation's policies, programs, and practices that must be filled before universal broadband can be achieved.³ The task force determined that the current Federal USF structure doesn't support broadband deployment and adoption despite over \$7 billion spent to subsidize telecommunications annually. The task force's determination underscores the need to reorient universal service to support the next generation of telecommunications—broadband.⁴

The creation of a new separate universal high speed broadband fund will place the country on track toward the goal of universal broadband internet access. Preferably, a separate broadband fund would support all major network elements, including last-mile loop costs, second mile transport costs, and middle-mile transport costs. This forward looking plan will transition the plain old telephone support fund into a new and modern broadband support fund.

Broadband is rapidly becoming the mode of delivery for practically everything consumers may need or want regarding communications—voice, data, education, health care and entertainment, just to list a few—and should undoubtedly be classified as a universal service.⁵ Entities that are required to contribute to the funding of the USF should reflect our modern broadband world, while a connections-based contribution methodology will ensure every

³ See News Release, *FCC Identifies Critical Gaps in Path to Future Universal Broadband*, (rel. Nov. 18, 2009), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-294706A1.pdf.

⁴ See Remarks of Julius Genachowski, FCC Chairman, Innovation in a Broadband World, The Innovation Economy Conference, Wash. D.C., (Dec. 1, 2009); See also Julius Genachowski, FCC Chairman, C-Span's The Communicators, (Nov. 21, 2009).

⁵ See 47 U.S.C. § 254(c)(1).

connection that utilizes the network will contribute to the build-out and maintenance of the network. A network with the most connections is the most valuable network. The current base of contributors is narrow and shrinking, which puts a majority of the burden on those who make a large number of interstate and international phone calls, rather than all of the people that are actually connected to and utilize the network. Allocating the cost to every connection will result in a more balanced distribution of costs to consumers.

HIGH-COST FUNDING OVERSIGHT NEEDS TO BE IMPROVED

The Public Notice requests comment on oversight and accountability mechanisms that would be needed for a broadband high-cost support mechanism. In order for a broadband high-cost support mechanism to serve consumers in a proper manner, accountability initiatives and procedures must be conducted in a way that produces verifiable and cost effective results. This is often not the case when oversight is conducted by parties that are inexperienced or not properly trained. Oversight that first includes adequate training for auditors using the FCC's prescribed USF criteria must be a priority. Pioneer believes the application of oversight and accountability mechanisms such as audit procedures, performance measures and specific reports to Congress should be included in any proposed broadband high-cost support fund.

CONCLUSION

The federal Universal Service Fund has been a success in rural America. The provision of a robust telecommunications infrastructure in rural America would never have been possible were it not for the nation's long-established policy of universal service and the federal USF. For rural incumbent local exchange carriers, high-cost universal service support has enabled infrastructure investment in areas where it was not otherwise feasible and allowed the provision

of quality service at rates that are affordable and reasonably comparable to urban areas of the country. Applying Universal Service Funding to the further development of broadband will enable similar achievements for next generation of communications.

Respectfully submitted,

A handwritten signature in black ink, reading "Catherine Moyer". The signature is written in a cursive style with a horizontal line underneath it.

Catherine Moyer
Director, Legal & Regulatory Affairs
Pioneer Communications, Inc.
120 West Kansas Avenue
Ulysses, Kansas 67880
Tel: (620) 356-7133 (direct)
Fax: (620) 424-3133
E-mail: Catherine@pioncomm.net

Dated: December 7, 2009